

Financial Aid News

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

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Governor signs 2004 supplemental budgets

Vetoes restore Promise eligibility, cut private colleges out of high-demand enrollment competition

Gov. Gary Locke signed state supplemental operating and building budgets on April 1, providing \$136 million in additional funds for higher education in the coming fiscal year.

The operating budget includes new money for financial aid and provides almost 3,000 new general and high-demand enrollments.

Locke also used his line-item veto authority to eliminate several provisions of the spending plan, including one measure that would have reduced the eligibility threshold for the Promise Scholarship and another that would have allowed private colleges to compete for high-demand enrollment slots at four-year schools.

The State Need Grant program will receive an additional \$4.5 million, which will serve more students who are eligible for the grant, allow awards to keep pace with tuition increases, and offset an increased demand for the program generated by new high-demand enrollments.

Lawmakers earmarked \$2.5 million to increase Promise Scholarship award amounts. The governor vetoed language in the bill that would have reduced the program's income eligibility cutoff for 2004 high school graduates to 120 percent of the state's median family income (MFI). Locke's veto preserves the current MFI cutoff of 135 percent for 2004 graduates, but leaves intact the \$2.5 million additional appropriation.

The annual appropriation for the Health Professionals Loan Repayment and Scholarship program will rise from \$1 million to \$3 million.

You can read a [summary](#) of the 2004 Legislature's actions on higher education — including financial aid — on the Higher Education Coordinating Board's Web site.

New money brings increases to 2004-05 SNG awards

HECB announces award amounts for SNG, with WAVE, Washington Scholars and Promise amounts to follow in July

Board staff announced final 2004-05 award amounts for the State Need Grant (SNG) program last month.

An additional \$4.5 million for the SNG program allows grant amounts to rise in proportion to an expected 7 percent increase in tuition at public colleges. The SNG continues to serve students with family incomes at 55 percent or below the state median (MFI). The 55 percent MFI cutoff in 2004-05 is \$36,500 for a family of four.

Students with family incomes at 50 percent of the MFI or below will be eligible for the maximum base grant. Those with incomes between 51 and 55 percent of the MFI will be eligible for 75 percent of the maximum grant.

Award amounts for the 2004-05 SNG are:

	0% - 50% MFI	51% - 55% MFI
Research	\$4,416	\$3,312
Regional	\$3,491	\$2,618
Community and Technical Colleges	\$2,212	\$1,659
Private Four Year	\$4,650	\$3,488
Private Vocational	\$2,212	\$1,659
Dependent Care Allowance	\$672	\$504

Since award amounts for the Promise Scholarship, Washington Award for Vocational Excellence (WAVE), and Washington Scholars programs are based on available funds and the number of eligible applicants, the value of those awards cannot be set until July, when the application periods for the programs have closed.

Aid administrators can find guidance about the 2004-05 State Need Grant awards on the board's [secure Web site](#). For more information, contact Julie Japhet at juliej@hecb.wa.gov or (360) 753-7840.

HECB to hold public hearings on strategic plan for higher education

The board is expected to release the latest draft of the 2004 Strategic Master Plan in May, setting in motion an all-out effort to solicit feedback on the proposal. Public hearings are scheduled in late May and early June on both sides of the state. The final version of the plan will be released late this summer.

The board will hear public testimony about the draft plan at the following hearings:

May 24, 9 a.m. – noon	Wenatchee Valley College	Wenatchee
May 28, 1 – 4 p.m.	Radisson Hotel	SeaTac
June 2, 1 – 4 p.m.	WSU - EWU Riverpoint Campus	Spokane

The May 20 board meeting, scheduled for WSU Vancouver, also will include time for public testimony.

SWS announces competition for community service projects

Teaching children and adults to read.
Restoring the environment. Building bridges of understanding between cultures. Helping the homeless find their voices through art and writing. Making communities attractive places to work and live.

For more than a decade, the Higher Education Coordinating Board has sponsored community service projects like these to promote civic engagement and service among students eligible for the Washington State Work Study (SWS) program.

"Few will have the greatness to bend history; but each of us can work to change a small portion of events, and in the total of all those acts will be written the history of this generation."

— Robert F. Kennedy

The board is sponsoring a "Request for Proposals" to fund SWS community service projects for 2004-05. Proposals are due June 1, 2004. You can download a [Request for Proposals \(RFP\)](#) from the board's Web site.

In addition to meeting major SWS program goals of helping needy students pay for college and gain relevant work experience, these projects bring colleges and communities together to identify community problems and design civic-based approaches to address them. As a result, students anchor their learning in work experiences and gain a better understanding of their place in the world.

Winning proposals will receive funding to employ a group of about five to 10 work-study eligible college students dedicated to the community need described in the proposal. Awards mostly provide student wages, but there are modest funds available for administrative purposes. The board will announce this year's new awards in July.

SWS community service projects that are now in their first year of funding can submit applications for second-year awards by May 17, 2004. Second year proposals should take a project to a new level, not just extend the results of the first year.

Applicants can expect to hear back about their proposals by the end of June. For more information, contact Jeffrey Powell at jeffreyp@hecb.wa.gov or (360) 704-4150.

SWS forms a new team

Betty Gebhardt announced three new appointments in the State Work Study (SWS) program last month. Gebhardt, associate director for financial aid at the board, took the opportunity to reorganize the SWS unit when staff members Cindy McBeth and Mary Gsell retired last year.

Last month, the board promoted Khris Blumer from SWS program manager to program associate for operations and systems, and Jeffrey Powell from SWS program coordinator to program associate for job development. Juliette Knight, a newly minted graduate of The Evergreen State College and a former student employee of the program, was appointed SWS program coordinator.

"The agency understands that the success of the SWS program depends on collaboration with its partners," Gebhardt said. "This reorganization let's us utilize the abilities and energies of our current staff in ways that respond to the fast changing nature of student employment and the world of work."

With Blumer and Knight tending to SWS operations at the board, and Powell assisting employers and schools in the field, Gebhardt sees the program taking its partnerships to new levels.

"As things unfold in the next few months," she said, "I trust that schools and employers will see in this team what we have seen firsthand here — a tremendous pool of energy, talent, and imagination, and a passionate commitment to the ideals and benefits of student employment."

"This is a 'dream team' that will take the SWS program to the next level in its service to students and commitment to its partners," she said.

You can reach Knight at juliettek@hecb.wa.gov or 360-753-7842, Powell at jeffreyp@hecb.wa.gov or (360) 704-4150, Blumer at khrisb@hecb.wa.gov or (360) 753-7847, and Gebhardt at bettyg@hecb.wa.gov or (360) 753-7852.

Need-based aid beats merit programs at improving college access, according to two new studies

Need-based financial aid programs do more to encourage college attendance than merit programs, according to two recent studies led by Indiana University professor Edward P. St. John.

[Expanding college access: the impact of state finance strategies](#), released by the Lumina Foundation, reports that need-based aid programs play a bigger role in motivating high school graduates to go to college than several other factors, including the cost of public-college tuition and state spending on K-12 education.

The report recommends that states increase spending on need-based aid programs in two ways. First, states need to ensure that state grants keep pace with rising tuition. Second, states should partner with the federal government to jointly fund a new need-based grant program with maximum awards equal to average tuition at a state's public colleges.

The Lumina report also says the Pell Grant program should have a maximum award equal to the national average for room and board charges — or about \$4,500 today. This would restore Pell Grant spending power to its value in 1980, when college access was more equitable, the report said.

St. John and fellow researcher Shouping Hu presented findings from another study at the annual meeting of the American Educational Research Association (AERA) last week. St. John and Hu said that their study of the Washington State Achievers program suggests that programs that guarantee financial aid to needy students are more effective than merit-based awards such as Georgia's HOPE Scholarship.

"There's often a serious gap between low-income students' educational aspirations and what they actually expect to accomplish," St. John said. "That gap was significantly reduced by the financial guarantees" offered by the Achievers program. St. John and Hu's remarks were reported in [*The Chronicle of Higher Education*](#).

The Washington State Achievers program is financed by the Bill and Melinda Gates Foundation and administered by the Washington Education Foundation in Issaquah.

The program offers scholarships to students in 16 high schools in low-income neighborhoods. Students apply for and receive guarantees of the grants in the 11th grade. They then receive special assistance to prepare for college. Awards are \$4,000 to attend a community college, \$6,500 to attend a public four-year school, and \$9,000 to attend a private four-year college.

Students are selected for the grant based on their leadership potential and other "non-cognitive" skills — not for their classroom performance and other traditional measures of achievement.

St. John and Hu found that students in the program were two to three times more likely to attend college than similar students in neighboring schools — even when they accounted for high school preparation and social and economic factors

"If you let students know that they'll be able to afford college, they'll do everything they can to prepare, and their parents will do everything they can to help them," St. John told the *Chronicle*.

You can download an [abstract](#) of the study on the Achievers program on AERA's Web site. The Gates Foundation financed the study. Washington Education Foundation president, Bob Craves, and vice-president, Ann Ramsay-Jenkins, are members of the Higher Education Coordinating Board.

Parent lobbying group wants to become a household name

Jim Boyle wants to fill a vacuum on Capitol Hill, and he thinks his lobbying group — College Parents of America — may be the organization to do it.

Boyle, the organization's president, wants to give parents of college students a voice on federal legislation, a voice that he says has historically been lacking in lawmakers' deliberations about higher education costs.

Parents who foot the costs of their children's college education are at the mercy of legislative action, Boyle told the [*Los Angeles Times*](#). There are lobbying organizations representing colleges, financial aid officers and students, but parents have no organized voice in Washington, D.C., he said.

If Boyle has his way, College Parents of America will join an exclusive list of interest groups — like the AARP — that are household names. The organization began in 1998 and has about 1,000 members. Its annual membership fee is \$36.50. The group has been dormant, but no more, Boyle said.

Boyle, the organization's president, sees an opening as the reauthorization of the Higher Education Act works its way through Congress this year. His top priority is to strengthen and make permanent federal tax incentives for higher education.

Current tax law allows up to \$4,000 in deductions to single filers earning less than \$65,000 and married couples with less than \$130,000 in income. Boyle wants parents earning up to \$180,000 to qualify for the deductions. And he said that its maximum amount should be \$10,700 — the average cost of a year at a public college.

"What does it say when there is a \$100,000 deduction for small-business people to buy an SUV, but there's only a \$4,000 deduction to finance higher education," Boyle said.

The parent group has also joined the Coalition for Better Students Loans and plans to join that group's fight for higher loan limits and lower borrowing fees.

And the group wants to see the assets in college savings plans — such as 529 plans and Coverdell Education Savings Accounts — treated more equitably in federal student aid formulas.

Currently, some savings plan accounts are treated differently depending on who opened the account and the type of investment vehicle. Some are treated as other parent assets, with about five cents on every dollar counted toward a family's expected contribution to higher education costs. Others are counted at the rate of student assets, with about 35 cents on the dollar expected to go toward college expenses.

For Boyle, the time is right for parents to be heard by Congress. "I can't claim we have the political clout to make this stuff happen," he said, "but politicians instinctively get it."

Calendar

SNG interim report due May 7

The third SNG program interim report for 2003-04 is due at the Higher Education Coordinating Board on May 7. Aid officers can submit the report online on the board's [secure Web site](#) beginning today.

Colleges and universities file the report three times a year. Information on the report helps board staff monitor expenditures, determine how many eligible students are being served, and ensure the fullest possible use of program funds. For more information, contact Julie Japhet at juliej@hecb.wa.gov or (360) 753-7840.

Annual state student financial aid workshops — May 10 - 14

May 10 — Yakima Valley Community College, Yakima

May 11 — Gonzaga University, Spokane

May 13 — North Seattle Community College

May 14 — Centralia College

The one-day workshop, offered at four locations, will provide training and 2004-05 updates on the State Need Grant, State Work Study, Educational Opportunity Grant and smaller aid programs. It will also include an overview of HECB activities and technology enhancements.

There is no registration. An [agenda, meeting room locations, and parking information](#) are available from the board's Web site. If you have questions, contact Colleen Scovill at colleens@hecb.wa.gov or (360) 753-7850.

New SWS community service project proposals due June 1 Renewal proposals due May 17

The program provides funds for small teams of SWS students to work in community service projects. You can download a [Request for Proposals \(RFP\)](#) from the board's Web site. For more information, contact Jeffrey Powell at jeffreyp@hecb.wa.gov or (360) 704-4150. You can also read more about the RFP process in this issue of the *Financial Aid News*, "SWS announces competition for community service projects."

HECB hearings on the 2004 Strategic Master Plan for Higher Education — May 20, 24, 28, and June 2

The board will hear public testimony about the latest draft of the Strategic Master Plan.

May 20 — Higher Education Coordinating Board regular meeting, WSU Vancouver

May 24 — Wenatchee Valley College, Wenatchee

May 28 — Radisson Hotel, SeaTac

June 2 — WSU – EWU Riverpoint Campus, Spokane